

AMENDED IN ASSEMBLY JUNE 16, 2003

AMENDED IN SENATE MAY 5, 2003

AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 1071

Introduced by Senator Vincent

March 11, 2003

An act to ~~add Section 2403 to the Business and Professions~~ amend Section 5307.11 of the Labor Code, relating to ~~medicine~~ workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1071, as amended, Vincent. ~~Medical—practice—Workers'~~ compensation: official medical fees.

Existing workers' compensation law generally requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of or in the course of employment.

Existing law requires the Administrative Director of the Division of Workers' Compensation to adopt and revise, no less frequently than biennially, an official medical fee schedule that establishes reasonable maximum fees paid for medical services through the workers' compensation system.

Existing law authorizes a health care provider or licensed health facility and a contracting agent, as defined, employer, or carrier to contract for reimbursement rates that are different from the official medical fee schedule.

This bill would also permit a diagnostic or other medical imaging center to contract with a contracting agent, employer, carrier, or an

agent on behalf of a contracting agent, employer, or carrier, for reimbursement rates different from those in the medical fee schedule.

~~Existing law, the Mosecone-Knox Professional Corporation Act, provides for the formation of a corporation under the General Corporation Law for the purposes of qualifying as a professional corporation that is engaged in rendering professional services in a single profession, and permits a professional corporation to render professional services through persons who are licensed in the profession. The Medical Practice Act restricts the employment of licensed physicians and surgeons and podiatrists by a corporation or other artificial legal entity, subject to specified exemptions.~~

~~This bill would specify that provisions of the Medical Practice Act relating to corporations and the Mosecone-Knox Professional Corporation Act apply to corporations and other artificial legal entities that provide any medical judgement or independent review and interpretation of diagnostic test results.~~

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 2403 is added to the Business and~~
- 2 *SECTION 1. Section 5307.11 of the Labor Code is amended*
- 3 *to read:*
- 4 *5307.11. ~~A~~Notwithstanding any other provision of law, a*
- 5 *health care provider~~or~~, health facility licensed pursuant to Section*
- 6 *1250 of the Health and Safety Code, or a diagnostic or other*
- 7 *medical imaging center, and a contracting agent, employer, ~~or~~*
- 8 *carrier, or an agent acting on behalf of a contracting agent,*
- 9 *employer, or carrier, may contract for reimbursement rates*
- 10 *different from those in the fee schedule adopted and revised*
- 11 *pursuant to Section 5307.1. When a health care provider~~or~~, health*
- 12 *facility licensed pursuant to Section 1250 of the Health and Safety*
- 13 *Code, or a diagnostic or other medical imaging center, and a*
- 14 *contracting agent, employer, ~~or~~ carrier, or an agent acting on*
- 15 *behalf of a contracting agent, employer, or carrier, contract for*
- 16 *reimbursement rates different from those in the fee schedule, the*
- 17 *medical fee schedule for that health care provider~~or~~, health*
- 18 *facility licensed pursuant to Section 1250 of the Health and Safety*
- 19 *Code, or a diagnostic or other medical imaging center, shall not*

1 apply to the contracted reimbursement rates. Except as provided
2 in subdivision (b) of Section 5307.1, the official medical fee
3 schedule shall establish maximum reimbursement rates for all
4 medical services for injuries subject to this division provided by
5 a health care provider or, health care facility licensed pursuant to
6 Section 1250 of the Health and Safety Code, *or a diagnostic or*
7 *other medical imaging center*; other than those specified in
8 contracts subject to this section.

9 ~~Professions Code, to read:~~

10 ~~2403. The provisions of this article, and the Moscone-Knox~~
11 ~~Professional Corporation Act (Part 4 (commencing with Section~~
12 ~~13400) of Division 3 of Title 1 of the Corporations Code) shall~~
13 ~~apply to corporations and other artificial legal entities that provide~~
14 ~~any medical judgment or independent review and interpretation of~~
15 ~~diagnostic test results.~~

